

1.42
W52 Wd
Cap 3
WD-70
Including Supplements 1 and 2

Issued November 13, 1944
Revised April 23, 1945

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY
WESTERN DIVISION

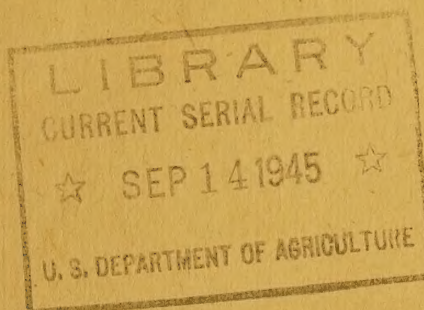
Conservation Materials
and Services Furnished Under the
Agricultural Conservation Program

Foreword

The purpose of this series (WD-70) is to set forth the general Regional policies and limitations governing the issuance of conservation materials and services for use in carrying out approved soil-building practices under the agricultural conservation program.

Part I of this series sets forth the general basic principles of the Conservation Materials and Service Program. In Part II are outlined the instructions and procedure for use in connection with the Purchase Order Plan. Thereafter, in Parts III, IV, V, etc. the procedures now in effect in WD-13, as amended, for distributing materials furnished under contract will be brought up-to-date to conform to the latest administrative determinations and revised forms. The procedures now in operation will remain in effect until superseded by instructions issued in this series.

Compilation of an index will necessarily have to be postponed until the series is completed.



PART I

GENERAL

This part contains the general Regional policies and limitations governing the issuance of conservation materials and services. Any State Committee, or any county committee with the approval of the State Committee, may establish more restricted limits if they desire. Distribution of the conservation materials named herein has been approved; however, it will be necessary to receive prior approval of the Chief of the AAA for each additional material or service to be furnished as conservation materials or services.

Section A. MATERIALS AND SERVICES TO BE FURNISHED AS CONSERVATION MATERIALS AND SERVICES.

1. Period. Orders for conservation materials and services may be accepted from producers any time after the applicable instructions have been issued, but not later than the announced closing date for taking orders or the expiration of the program year of the current agricultural conservation program.
2. Kind. Superphosphate, liming material, borax, ^{gypsum,} seed or specified varieties and any other material or service approved for use under the current program.
3. Eligibility. Materials and services may be furnished to any person who is eligible to participate in the current agricultural conservation program, except a person:
 - a. Whose name appears on the Register of Indebtedness for a debt other than to the Farm Security Administration.
 - b. Whose request for material or service is not approved by the county committee for the reason that the material or service is not needed or will not be used to carry out approved practices, or for the reason that the producer is carrying out practices which tend to defeat the purpose of the program.
4. Methods of furnishing materials and services. Materials and services may be furnished for use under the current agricultural conservation program under the following methods:
 - a. The Purchase Order Plan.
 - b. U. S. D. A. contracts:
 - (1) Definite quantity.
 - (2) Source of supply.

Section B. USE OF CONSERVATION MATERIALS AND SERVICES.

1. Purposes for which materials may be used. Conservation materials and services may be used only for carrying out approved soil-building practices as determined by each State Committee and incorporated in the State handbook.
2. Conditions under which materials are furnished. It is the responsibility of each county committee to make sure that any person applying for conservation materials or services understands that such materials and services are furnished for use under the following conditions, as well as the conditions contained on the order or request for conservation materials or services:
 - a. That he will use any conservation materials or services furnished to carry out approved soil-building practices in connection with the current agricultural conservation program.
 - b. That, where the credit rate (payment) is not equal to or greater than the cost of the material or service, he will pay the difference to the vendor for material and service furnished under the Purchase Order Plan.
 - c. That, where the credit rate (payment) is not equal to or greater than the announced deduction rate for material and service furnished under contract, he will pay the difference to the county agricultural conservation association before or at the time of delivery of the material or service.
 - d. That a deduction will be made for the material and services furnished from any payment due him on any farm in the county in an amount determined by the AAA and indicated on the order or request for conservation materials or services.
 - e. That an additional deduction equal to the original deduction will be made from his payment for material which is used in a manner not in substantial accord with the purposes for which such material was furnished.
 - f. That, in the event a deduction under "e" above is applicable and the total deductions indicated in "d" and "e" above exceed the payments due him on farms in the county, he will pay the Federal Government the amount by which the deductions exceed the sum of the payments subject to deduction.
 - g. For material furnished under contract and shipped by common carrier on Government bills of lading:

- (1) That he will pay before or at time of delivery any charges authorized by the county committee for the handling or local storage of conservation materials.
- (2) That he will pay direct to the delivering common carrier demurrage in proportion to and to the extent of time that his delay in accepting or calling for his material in the shipment not removed from the common carrier within the "free time" allowed bears to the total demurrage charged.
- (3) That he will be expected to provide all reasonable possible assistance in unloading his material when delivery is made at car door.

PART II

PURCHASE ORDER PLAN

Section A. COUNTY OFFICE INSTRUCTIONS

1. Explanation of the Purchase Order Plan. The Purchase Order Plan is an arrangement under which conservation materials and services are furnished to farmers through local sources. After the "Fair Price" is established, the county committee issues a purchase order on Form ACP-128 (Revised) to the farmer for the material or service. Where the purchase order represents only a part of the cost of the material or service, the remainder must be paid by the farmer to the vendor. The farmer takes the order to any local dealer, distributor, retailer, or other vendor who will furnish the material at or below the "Fair Price". After the material is delivered or the service rendered, the local vendor returns the purchase order to the county office for payment of the amount of the purchase order. Farmers who have materials for sale may be classified as dealers in their sales to other farmers.. The price to be paid cannot exceed the "Fair Price" - a price determined as fair to both farmers and dealers.
2. Determination of fair prices. (See attached "Regulations Governing the Fixing of Fair Prices for Conservation Materials and Services Acquired under Purchase Orders, Revised.")
 - a. Under the provisions of the Purchase Order Plan a fair price for each material and service to be furnished will be recommended by the county committee for approval of the State Committee on the basis of quotations from local suppliers. Any person (except

as provided in (1) below) who will furnish to farmers such material or service which meets the required specifications at the fair price or a lower price is eligible to fill purchase orders regardless of whether or not he originally quoted prices in excess of those established as "Fair". However, no purchase order may be issued to a farmer or approved for a vendor at a price in excess of the vendor's "ceiling price".

- (1) No person paid in full or in part from AAA funds and no firm with which any such person is identified or in which he has a controlling financial interest may supply or agree to supply materials and services to the AAA on purchase orders unless permission is granted in particular cases by the Chief of the Agricultural Adjustment Agency.
- b. The county committee shall contact all prospective vendors of the material or service desired to determine the lowest price at which a sufficient quantity of the material or service may be obtained to fill the anticipated requests in the area and will maintain a record of the data obtained.
- c. The county committee shall recommend to the State Committee as the fair price the lowest price at which a sufficient quantity of material or amount of service for which a fair price is being established can be obtained to fill the estimated needs.
- d. Fair Price Regulations require the exercise of good judgment by the county committee in setting prices which bear a fair and reasonable relationship to the cost to the AAA of distributing materials purchased under contract and which will at the same time permit dealer participation. In this connection Section (b)(1) of the regulations brings into consideration the prevailing retail prices, whether at or below ceilings, and Section (b)(2) brings into consideration the delivered cost to the AAA of purchases made under contracts. These factors should be kept in mind:
 - (1) Costs of contract purchases would be made up of the wholesale cost of the material, freight charges, and local distribution expense which generally is not more than \$1.50 per ton.
 - (2) Dealers are entitled to the full amount arrived at under (1) plus a margin for overhead and profit that is reasonable in the light of the additional volume of business provided by purchase orders.

- e. The total amount which the Government and the farmer will pay shall not exceed the fair price.
- f. County committees may desire to set fair prices on less than county basis because of factors influencing prices to vendors; however, the number of fair prices should be kept to a minimum.

3. Use of Form ACP-146.

- a. "Fair Price Recommendations". (Form ACP-146) will be used by county committees in making recommendations to the State Committee. This form shall be prepared in quadruplicate, the last copy being retained in the county office, the original and first two copies forwarded to the State Office. After approval by the State Committee, one copy will be returned to the county office. (Disregard the distribution shown on the bottom of each copy).
- b. Entries on Form ACP-146 should be as follows:
 - (1) County and State - Enter in the appropriate space the name of the county and State.
 - (2) Material - Enter the name of the material or service such as superphosphate, limestone, borax, etc. preceded by "bulk" or "bagged".
 - (3) Type of delivery - Enter type of delivery.
 - (4) Estimated quantity - Enter estimated total needs of the county for the type of material or service for which a fair price is being recommended.
 - (5) Minimum specifications - Enter detailed specifications of the material or service. See Subsection 10, (1), (2), (3) and (4) for items to be included in specifications.
 - (6) Price quotations - On the same line enter in the applicable spaces the vendor's name and address, the quantity offered by him, the unit price, delivered as specified above, and the unit, such as ton, cwt. lb. or yard. If the actual point of delivery is other than the vendor's principal place of business, or delivery is to be made at more than one point, enter the dealer's name on succeeding lines as many times as is necessary to show the actual point of delivery and amount to be delivered at each point by him. (See sample ACP-146 attached).
 - (7) Recommendations as to fair price - Enter in the space provided the price per unit, the unit and the name of the county.
 - (8) For county committee and date - The signature of a member of the county committee must be affixed and the date he signed entered on the lines provided therefor.

4. MATERIALS FURNISHED UNDER PURCHASE ORDER PLAN.

- a. Materials or services. As soon as fair prices have been approved by the State Committee for any material or service to be furnished under the Purchase Order Plan in the county the farmers should be notified that such material or service is available. Immediately thereafter orders may be taken for placement with vendors who will fill them. Orders should not be issued for more material or services than will be available within a validity period of the order.

5. PREPARATION OF FARMER'S ORDER

(Section I and Part 1 of Section II shall be filled in at the time of issuance; Part 2 of Section II and the certifications in Section III should be completed after the order is submitted by the vendor for payment.)

- a. Form used. Form ACP-128 (Revised December 22, 1944), "Purchase Order for Conservation Materials or Services," will be used in authorizing and approving purchase of materials from local vendors under the Purchase Order Plan. A separate ACP-128 should be prepared for each material authorized, and for each vendor if it is known that the material is to be obtained from more than one vendor. The form will be prepared in triplicate by a community committeeman or other representative of the county committee.

b. Preparation of Form ACP-128 (Revised December 22, 1944)

- (1) In the heading, enter in the spaces provided in the upper right-hand corner the name of the farmer for whom the order is issued, the State and county, the ACP farm number and the program year in which the material is to be used.
- (2) In Section I, enter the name and business address of local vendor (as they will appear on his voucher) from whom the farmer desires to obtain the material. (This entry may be left blank if vendor has not been selected at time of issuance.)
- (3) In Section I, enter in the space after "THIS AUTHORITY EXPIRES" the date the authority expires. This date should not be later than the expiration date of the applicable program year and may be earlier. In order to get material delivered uniformly over the program year, it may be advisable for county committees to limit the period of authority. This can be accomplished by entering the applicable date in this blank space.
- (4) Enter directly below the line provided for the signature of the representative of the county committee, the initials of the person taking the order, and the date of approval.
- (5) In Section II, Part 1, NOTE: Only one material may be included on each purchase order. However, alternative specifications for a material may be inserted in column (b), in which case columns (c) and (e) must be filled in for each specification.

For example, if a fair price has been established for 18% and 20% superphosphate and the analysis of the material that the vendor will be able to furnish is not known, the entry in column (b) would be 20% superphosphate "or" and on the next line immediately below, 18% superphosphate. If alternative specifications are entered in column (b), entries must be made in columns (c) and (e) for each specification.

- (6) In column (a) enter the kind of material, for example, bagged or bulk, followed by the name of the material requested; i.e., lime, superphosphate, borax, etc.
- (7) In column (b) enter the minimum specifications for the material requested. (If more space is needed, make notation "See reverse side hereof" and use the space provided on the back.)
- (8) In column (c) enter the amount and unit authorized, for example, 10 cwt. 2 tons, etc.
- (9) Do not make an entry in column (d). The vendor will enter in this column the actual quantity and unit furnished.
- (10) In column (e) enter the approved fair price per unit for the material.
- (11) In column (f) enter the portion of the fair price to be paid by the farmer.
- (12) In column (g) enter the portion of the fair price to be paid by the Government. (The sum of column (f) and column (g) should be equal to the quantity authorized times the fair price.)

After all of the above information has been entered, the order will be transmitted to the county office.

6. AUDIT AND APPROVAL OF ORDER

a. Audit ACP-128

- (1) Form ACP-128 will be audited in the county office to determine that all entries are correct and that the farmer is eligible to receive the amount of material requested.
- (2) If the entry "THIS AUTHORITY EXPIRES _____" (closing date for taking orders or expiration date of current program) does not appear in the blank space in the heading of the form, it must be entered before releasing the order to the farmer or vendor.

b. County committee approval.

Enter on the line directly below the words "County Agricultural Conservation Committee," in Section I, the signature of the county committee member or an authorized representative of the county committee auditing the form.

c. Post to conservation materials records.

After the order is approved by the county committee it will be posted to the conservation material record card.

d. Placement of orders.

All three copies of the order may then be given to the farmer or sent direct to the vendor, if he is known.

7. VENDOR'S APPLICATION FOR PAYMENT.

If the vendor's name and address were not entered in Section I at the time the order was prepared, it should be entered by the vendor when the order is filled. As soon as the material authorized in Section II, Part 1 has been furnished the farmer, the vendor will enter in column (d) the quantity and unit of material furnished. The farmer and the vendor will affix their signatures and enter the date in the spaces provided in Section III, Parts (A) and (B). The vendor's signature should be the same on all Forms ACP-128 signed by him. The vendor will detach the green copy of the form for his files and transmit the original and first copy to the county office.

8. HANDLING OF FORM ACP-128 (Revised December 22, 1944) BY THE COUNTY COMMITTEE AFTER DELIVERY OF MATERIAL.

- a. In Section II, Part 2, enter in column (d) the quantity of material furnished as shown by the vendor's entry in column (d), Part 1.
- b. In column (g), Part 2 enter the applicable amount in the same column in Part 1. (If the amount of material furnished differs from the amount requested and the change has the county committee's approval, a new maximum payment must be calculated and inserted in columns (f) and (g) of Part 1.)

NOTE: The county committee shall not approve a purchase order for payment unless the material furnished in filling the order meets minimum specifications.

- c. In Section III, Part C, enter the signature of a member of the county committee and the date on the lines provided therefor. Such signature will indicate that the form has been audited and approved for payment for the amount entered in column (g), Section II, Part 2.

Any alterations on the form in the quantity, rate or amount of payment must be initialed by all persons affected by such alteration.

The original copy of the ACP-128 shall be transmitted to the State Office with the covering Standard Form 1034, and the yellow copy retained in the county office.

9. PREPARATION AND DISTRIBUTION OF VENDOR'S VOUCHERS.

- a. Forms. Standard Form 1034, supplemented by Standard Form 1035, will be prepared as follows in the county office for each kind of material or services furnished by each vendor which the county committee has approved for payment on Forms ACP-128:
- (1) Prepare an original S. F. 1034 and three copies of S. F. 1034a, supplemented by S. F. 1035 and 1035a where necessary, by filling in only the required entries. All other spaces should be left blank. The respective entries on S. F. 1034 must be as follows:
 - (a) U. S. Enter "Department of Agriculture" unless it is overprinted, followed by "A.A.A."
 - (b) Voucher Prepared at -. Enter the complete address of the county office preparing voucher, and the date the voucher is prepared.
 - (c) To - Enter the name of the payee as shown on Forms ACP-128.
 - (d) Address - Enter the payee's address.
 - (e) Terms-----% Discount cash-----days. Enter the cash discount, if any, and the number of days during which it is effective.
 - (f) Date of delivery or service. Enter the dates of the delivery period covered by the Forms ACP-128.
 - (g) Articles or Service. List each Form ACP-128 by farm serial number covered by the voucher. Enter a complete description of the material or services furnished to agree with the description shown on attached Forms ACP-128. Enter also "See attached Forms ACP-128 for the farm serial numbers listed hereon."
 - (h) Quantity - Enter the total amount expressed in cwt., tons, pounds, or yards, as the case may be, of materials furnished or services rendered.
 - (i) Unit price - Enter the per unit cost per cwt., tons, pound, or yard, as the case may be.
 - (j) Amount - Enter the amount claimed for the material furnished or services rendered.
 - (k) Total - Enter the total amount claimed for all material represented by Forms ACP-128 attached to Standard Form 1034.
 - (l) Payee - Enter the phrase "See attached Forms ACP-128."

b. Distribution of forms, Standard Form 1034 and Standard Form 1034a

- (1) Forward the original S. F. 1034, and the first two copies of the S. F. 1034a, together with the related original Forms ACP-128 to the State Office. Where it is necessary to use S. F. 1035 and 1035a, a corresponding number of copies of each must be transmitted.
- (2) Retain the last copy in the county office.

c. Preparation of Dept. Form AD-105, "Check Mailing Slip."

- (1) This form will be prepared in single copy for each voucher as follows:
 - (a) Above "Bu. or Off." enter "AAA".
 - (b) Department's Purchase Order No. Enter the words "Purchase Order".
 - (c) Place of Delivery or Service. - Enter name of county, and subdivision thereof where applicable.
 - (d) Payee's Reference No. - Enter the payee's account (or invoice) numbers shown on Forms ACP-128. For example, 1000-1020. If the payee's account numbers listed on Forms ACP-128 are not in chronological order to permit entry according to this example, the numbers will be listed on the reverse side of Department Form AD-105.
 - (e) Date or Period. Enter the inclusive dates of the period covered by Forms ACP- 128.
 - (f) Name: Street No: City and State: - Enter the name of the vendor and his mailing address as shown on Standard Form 1034.
- (2) Attach the single copy of Form AD-105 to each voucher forwarded to the State Office.

10. QUALITY OF MATERIAL FURNISHED.

- a. Vendor's Certificate. Prior to or at the time of submitting the first Form ACP-128 for payment, each vendor shall file with the county committee a certificate showing the analysis or test of the materials from which the purchase orders are to be filled.
 - (1) In the case of superphosphate, this certificate should show:
 - (a) Name of fertilizer (20% or 43% superphosphate).
 - (b) Name of manufacturer.
 - (c) Brand name.
 - (d) Analysis guaranteed by manufacturer.
 - (e) Vendor's name.
 - (2) In the case of gypsum, this certificate should show:
 - (a) Name of fertilizer.

- (b) Name of manufacturer.
- (c) Brand name.
- (d) Guaranteed water soluble sulphur content.
- (e) Vendor's name.

(3) In the case of liming materials, this certificate should show:

- (a) Kind of limestone.
- (b) Calcium carbonate equivalent.
- (c) Screen analysis.
- (d) Moisture content.
(Minimum specification requirements will be established by the State Committee for items (b), (c) and (d) above).
- (e) Date of test.
- (f) By whom tested.
- (g) Name of quarryman.
- (h) Vendor's name.

(4) In the case of borax, this certificate should show:

- (a) Name of borax.
- (b) Name of manufacturer.
- (c) Brand name, if any.
- (d) Guaranteed percent of borax.
- (e) Screen analysis.
(Minimum specification requirements will be established by the State Committee for items (d) and (e) above).
- (f) Vendor's name.

(5) In the case of seeds, this certificate should show:

- (a) Kind of seed.
- (b) Analysis.
(Minimum purity and germination requirements will be established by the State Committee).
- (c) Date of test.
- (d) By whom tested.
- (e) Name of distributor.
- (f) Lot number.
- (g) Vendor's name.

11. LOST, STOLEN OR DESTROYED PURCHASE ORDERS.

The county committee shall place a stop-order against any purchase order which has been stolen or lost by notifying the vendor whose name was shown on the purchase order. If the vendor from whom the farmer was to purchase the material was not known, it will be necessary to notify all dealers furnishing such material in the county that the stolen or lost purchase order is void.

Duplicate purchase orders (ACP-128) may be issued to replace any that have been stolen, lost, or destroyed. Duplicate orders shall be plainly marked "Duplicate" and a record of such orders should be maintained on Conservation Materials Record card. County committee shall not approve for payment the original purchase order for which

a duplicate order has been issued except upon surrender of the duplicate order.

- a. If upon a farmer's request a duplicate purchase order is issued to replace one that has been lost, stolen, or destroyed prior to delivery of the material, the farmer should execute the following statement:

"A purchase order (ACP-128) for _____ of _____ issued for me by the _____ County Committee has been lost, (stolen, destroyed). I hereby request a duplicate order, and if issued, agree to protect the Agricultural Adjustment Agency from any liability (not in excess of the value of the original order) and expense which it may incur by reason of the original order. I further agree that, if I recover possession of the original order, I will return it to the county office."

(Date)

(Signature of Farmer)

If the name of the vendor was entered on the original order, he shall be notified by the county committee that a duplicate order has been issued and that he shall not deliver any material on the basis of the original order.

- b. If a duplicate order is requested and issued to replace one that has been lost, stolen or destroyed, after delivery of the material, a duplicate order may be prepared for the signature of the farmer and vendor and the vendor should execute the following statement:

"A purchase order (ACP-128) issued by the _____ County Committee for the delivery of _____ of _____ to _____ has been lost, (stolen, destroyed) after delivery of the material by me. I hereby request that a duplicate order be prepared for execution by the farmer and myself. If such an order is prepared and executed, I agree to protect the Agricultural Adjustment Agency from any liability (not in excess of the value of the original order) and expense which it may incur by reason of the original order. I further agree that, if I recover possession of the original order, I will return it to the county office."

(Date)

(Signature of Vendor)

(Signature and Title of Agent)

12. TRANSFERRING MATERIAL

If it is determined that the material furnished to a farmer under the Purchase Order Plan will, in all probability, not be properly used by him, such material may be transferred to one or more other eligible farmers for use under the same program, or to the same or other farmers for use under a subsequent program, provided the

person or persons to whom the material is transferred reimburses the original farmer for an amount equal to that which the farmer paid the vendor, or the difference between the amount which AAA will pay and the fair price, whichever is the smaller. Appropriate corrections should be made on the Conservation Materials Record cards to show the transfer of material from one farmer to another or other farmers. If the name of the original recipient has been placed on the Register of Indebtedness by reason of an application for payment filed which indicates that material furnished was not used and such material is later transferred, and the county committee desired that the original recipient's name be removed from the Register of Indebtedness, an adjustment application for payment shall be prepared in the usual manner and accompanied by a statement signed by one or more members of the county committee to the effect that the name of the farmer should be removed from the Register for the reason that the county committee has taken the material back and re-issued it to another farmer.

13. REPORTS.

The county committee will prepare at the end of each month and submit to the State Office in duplicate, a monthly report, Form WD-71, showing the total number of orders issued to date for each material or service, the total quantity of each material or service for which purchase orders have been issued, and the total quantity of each material or service approved for payment. This cumulative report must reach the State Office within five days after the close of the month in order that the State Office may transmit a State report for all counties to reach the Regional Office within 10 days of the date for which it is prepared. See attached Form WD-71, County Office Monthly Purchase Order Report.

14. SAMPLES.

Samples of the materials furnished under the Purchase Order Plan will be taken in accordance with instructions issued by the State Committee. The frequency of taking samples will be determined by the State Committee. The county committee is responsible for the successful operation of the program in the county and if it believes that the interest of the farmers and the program will be better served, it should recommend to the State Committee that more frequent samples be taken.

a. Preparation of Form ACP-133. Conservation Materials Analysis Report.

A Form ACP-133 shall be prepared for each sample. The second line in the heading shall show.

- (1) The names of the vendor and manufacturer or distributor in the space for "Contractor".
- (2) The words "Purchase Order" in the space for "Contract No."
- (3) The State and county code and farm serial number in the space for "Aaa No."

b. Analyzing and Testing

County committees will submit the samples as instructed by the State Committee who will arrange for analyzing and testing.

c. Adjustments for materials deficient in quality.

County committees shall notify each vendor who is furnishing materials in the county either by letter or by furnishing a copy of the applicable regulations that where a test or analysis of the material furnished shows that the material does not meet quality specifications such material may be rejected, or if accepted, the applicable deduction will be made from his voucher. The amount of the deduction will be three times the difference between the value of the material of the quality specified and the material of the quality furnished under the purchase order against which the sample was taken.

Section B. STATE OFFICE PROCEDURE FOR HANDLING PURCHASE ORDERS.

The State Committee will be responsible for administering the distribution of material and services furnished under the Purchase Order Plan, in accordance with the instructions included in Part II, Section A hereof, and the procedure in Part II, Section B hereof.

1. Materials approved for distribution under the Purchase Order Plan.

Superphosphate, liming materials, borax, gypsum, and seed of specified varieties have been approved for distribution under the Purchase Order Plan. Before other materials or service may be distributed under the Purchase Order Plan it will be necessary for the State Committee to request the Regional Office to have such materials or service placed on the approved list.

2. Announcing the materials and services approved for distribution under the Purchase Order Plan.

The State Committee shall notify the county committees from time to time of the materials and services approved for distribution under the Purchase Order Plan, in order that the county committee can determine the need for furnishing such material or service in the county. If the county committee decides to distribute any of the approved materials or services under the Purchase Order Plan, all respective vendors will be contacted to determine the lowest price at which a sufficient quantity of the material or service may be obtained to fill anticipated requests of farmers. The county committee will recommend on Form ACP-146 a fair price for any material or services to be furnished in the county under the Purchase Order Plan.

3. Handling of "Fair Price Recommendations," Form ACP-146.

Upon receipt of the original and first two copies of Form ACP-146 from the county committee recommending the establishment of a fair price, the State Committee will determine a fair price and submit it to the Regional Office for approval, unless the Regional Office has given the State Committee prior permission to approve fair prices in the State Office. After approval the State Committee will return to the county committee the original Form ACP-146, and

will forward the "Audit Office " copy to the Western Division.

4. Payment to vendors.

- a. The State Office will receive from the county office a voucher consisting of Standard Form 1034 and two copies of Standard Form 1034a, and where required similar copies of 1035 and 1035a .
- b. The State Office will audit the form as follows:
 - (1) Verify that it is properly prepared.
 - (2) Verify that a Form ACP-128 is attached for each farm serial number listed in the body of the form, and that delivery in each case was made prior to the expiration date of the validity period of the purchase orders.
 - (3) Verify the total quantity.
 - (4) Verify the total amount approved.
 - (5) If a Form ACP-128 cannot be approved by the State Office, a line should be drawn through the farm serial number for that farm on all copies of the voucher and the form returned to the county office for correction. The deletion should be initialed by the person making it.
 - (6) The total quantity and amount should also be corrected and initialed by the person who verified the amount to be corrected.

5. Preparation of Standard Form 1064, Schedule of Disbursement.

- a. Approved vouchers should be scheduled on Standard Form 1064 and forwarded in the usual manner to the Regional Disbursing Office for payment.

6. Sampling and analyzing material procured on purchase orders.

Each dealer must, before submitting a purchase order for payment, file with the county committee a certificate as to the quality of the material covered by the purchase orders. The penalty provisions of the fair price regulations place upon administrative officials the responsibility for making determinations as to whether materials meet guarantee. The system of control must be adequate for this purpose, regardless of the general protection offered consumers by State fertilizer and seed control laws. At the same time, it is highly desirable that the facilities for administering the State fertilizer and seed laws be used to the greatest extent possible in applying the quality controls required for the purchase order program.

In each State where purchase orders will be used for procuring materials the State Committee should consult with the State Commissioner of Agriculture and State Chemist, or other persons charged with administering State fertilizer and seed control laws, to arrange mutually satisfactory plans whereby the quality of the material can be ascertained and proper records kept by the State Committee. State officials should be made aware of the desire and willingness of the AAA to develop arrangements under which State agencies will sample, analyze, and make reports concerning the quality of the material.

Where State laws provide only for registration fees, it may be necessary for the AAA to reimburse the State for the cost of services rendered. Where payment to the State fertilizer control agency is found necessary, State officials may be advised that it will be necessary to contract with them to take samples and make analyses at specified rates. In States where fertilizer laws provide for the collection of tonnage taxes, the additional revenue obtained by the State on purchase orders should amply cover sampling and analyzing the material inasmuch as the taxable tonnage would be greatly increased under the Purchase Order Plan.

The arrangements should include an understanding in regard to the frequency of sampling, which should be sufficient to meet acceptable standards and safeguard the quality of the material. The frequency and method of reporting to the State Committee should also be agreed upon.

The Regional Director should be kept periodically informed on the progress of these negotiations. Before final arrangements have been made by the State Committee, a statement of the essential provisions of the agreement should be submitted to this office.

After approval, the county committees should be notified of the plan for sampling and analyzing materials.

/s/ G. F. Geissler
Director, Western Division

County.....Imperial.....

State.....Calif.....

FAIR PRICE RECOMMENDATIONS

Material.....Bagged Superphosphate...
 F.O.B. Railsiding.....5,000
 (Type of Delivery).....(Estimated Needs)
 Minimum Specifications.....20% Superphosphate

PRICE QUOTATIONS

<u>Vendor's Name and Address</u>	<u>Quantity</u>	<u>Price</u>	<u>Unit</u>
John Dean, El Centro, Calif...	2,000	\$31.50	ton
" " Brawley, Calif.....	1,000	31.50	"
" " Calexico, Calif.....	800	31.50	"
Imp. Fertilizer Co., Imperial, Cal.	1,200	31.25	"
Arizona Fertilizer Co., Yuma, Ariz.	2,500	31.00	"
.....
.....

RECOMMENDATIONS AS TO FAIR PRICE

The Price of....\$31.50..per.....ton.....is considered to be a fair and
 reasonable price for the specified material to be furnished to farmers in
Imperial.....County under the Purchase Order Plan.

.....Charlie McNeil.....
 (For County Committee)

(Date)..December.1..1944..

(Date)....October.28..1944....

Approved..Dave Davidson...
 For State Committee

Bottom of Page 1 - Approved copy to be returned to County Office
 " " " 2 - For State Office
 " " " 3 - For Audit Office
 " " " 4 - For Regional Office

Journal of Management Studies, 19(1), 67-80.



PATENTED-MOORE BUSINESS FORMS, INC., NIAGARA FALLS, N. Y.

Form ACP-128 (Revised)
U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY
Form prescribed by
Comptroller General, U. S.
December 22, 1944

PURCHASE ORDER

For

CONSERVATION MATERIALS OR SERVICES

SECTION I:

To _____ (NAME OF VENDOR) _____ (ADDRESS OF VENDOR)
You are authorized to furnish the above-named farmer the conservation material or service described in Section II hereof.

THIS AUTHORITY EXPIRES _____ (DATE) _____ County Agricultural Conservation Committee,

SECTION II:

(a) MATERIAL OR SERVICE	(b) SPECIFICATIONS	(c) AUTHORIZED		(d) FURNISHED		(e) FAIR PRICE		(f) MAXIMUM PAYMENT BY FARMER	(g) MAXIMUM PAYMENT BY GOVERNMENT	(DATE)
		QUANTITY	UNIT	QUANTITY	UNIT	AMOUNT	UNIT			
1						\$		\$		
2		XXX	XXX					XXX		

SECTION III: (A) The materials or services described in Section II, columns (a), (b), and (d) were received by me. They will be used in carrying out approved practices under the Agricultural Conservation Program.

(B) The vendor hereby applies for payment for furnishing the material or service described in Section II, columns (a), (b), and (d) and certifies that the amount paid by the farmer did not exceed the applicable amount shown in Section II, column (f).

(C) Approval and certification (as in Section IV on the reverse hereof) of County Agricultural Conservation Committee.

(SIGNATURE OF FARMER) (DATE)

(SIGNATURE OF VENDOR) (DATE)

By _____
(SIGNATURE OF COUNTY COMMITTEEMAN) (DATE) ☐

CERTIFICATE OF COUNTY COMMITTEE

SECTION IV:

I certify for the county committee that, to the best of its knowledge and belief, the representations of the vendor in Section III are true; that the material or service was furnished in accordance with specifications; that the fair price in column (e) was determined under regulations issued by the Secretary of Agriculture; that if an agent or fiduciary has signed for the vendor or the farmer in Section III, such person has authority to act in the capacity shown; that the committee recommends that payment be made to the vendor in the amount shown in Section II, part 2, column (g) .

SPECIFICATIONS (Continuation of Section II, column (b))

This purchase authorized by Section (b) of the Soil Conservation and Domestic Allotment Act as amended.

(Section 35 of the Criminal Code of the United States (18 U. S. Code 80) reads in part as follows: " * * * Whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations * * * in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.")

Sheet No.

PURCHASE ORDER PLAN

(County) (Program Year)

Period Ending

[illegible]

TITLE 7 - AGRICULTURE

CHAPTER VII - WAR FOOD ADMINISTRATION (Agricultural Adjustment)

[Fair Price Regulations - Revision No. 2]

PART 734 - CONSERVATION MATERIALS AND SERVICES PROGRAM

FIXING OF FAIR PRICES

The regulations governing the fixing of fair prices for conservation materials and services acquired under purchase orders (8 F. R. 17255). [§] 743.1, issued by the Assistant War Food Administrator on December 22, 1943, are hereby completely revised to read as follows:

Section 734.1 - Regulations Governing the Fixing of Fair Prices for Conservation Materials and Services Acquired under Purchase Orders.

(a) Delegation to the Chief of the Agricultural Adjustment Agency. The Chief of the Agricultural Adjustment Agency shall designate the conservation materials and services which may be furnished under purchase orders in connection with the agricultural conservation program, the persons who shall determine the fair prices, and the method of making such determination: Provided, however, That any such determination shall be made in accordance with the provisions of paragraphs (b), (c), (d), and (e), hereof.

(b) Materials. A fair price shall be the price at which vendors in an area should be able to supply a material for local delivery under purchase orders, taking the following into consideration, to the extent they can be ascertained:

- (1) The prices which farmers are currently paying for the material through local supply channels.
- (2) The prices at which farmers could obtain the same material through other than local channels, and
- (3) The actual or estimated cost to the vendor and a reasonable margin for handling and profit.

(c) Services. A fair price shall be the price at which a vendor equipped to perform a service agrees to furnish it at a given time and under a given set of conditions, providing it is not excessive in relation to:

- (1) The prices which farmers are currently paying for the same or a similar service under the same or similar conditions, and
- (2) The actual or estimated cost to the vendor and a reasonable margin for profit.

(d) Ceiling Prices. Notwithstanding the provisions of paragraphs (b) and (c) hereof, no fair price may be set which is higher than the highest ceiling price at which any vendor in the area covered is authorized to sell a material or service under the General Maximum Price Regulation or other applicable regulations issued by the Office of Price Administration.

(e) Defective Material. A material shall be deemed not to have been furnished at a fair price if it is determined that the material does not meet quality specifications. At the option of the Agricultural Adjustment Agency such material shall be rejected, or accepted subject to a deduction equal to three times the difference between the value of the material of the quality specified and the material of the quality furnished.

(55 Stat. 257. E.O. 9322. 8 F. R. 3807; E. O. 9334, 8 F. R. 5423; E.O. 9392, 8 F. R. 14783)

Issued this 15th day of December, 1944

/s/ Ashby Sellers
Assistant War Food Administrator